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## Hugel is no master spy

# Appointment shocks CIA

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WASHINGTON — When CIA Director William Casey appointed his old friend Max Hugel as the agency's chief spy, it sent shock waves of disbelief through the intelligence community.

"It was like bringing in a chief of naval operations who has never been in the Navy," said a former high-level CIA official who has joined the exodus of top-flight talent from the agency in the last several years.

Originally, Casey appointed the 56-year-old Hugel last Feb. 13 as deputy director of administration — a move that sent tremors through the CIA because of Hugel's complete lack of experience in modern intelligence work.

Then, early last month, Casey stunned intelligence officials by appointing Hugel director of operations, a post perhaps second in importance to that of the CIA directorship itself. Even the White House was caught by surprise, having been bypassed in the usual political clearance procedures.

What Casey had done was to place Hugel — who made millions after World War II by exporting sewing machines — in charge of the United States' clandestine operations.

Up to that point, intelligence sources say, Casey had made some shrewd decisions in an effort to rescue the agency from years of decline.

He had come into the job determined to carry out Ronald Reagan's private directive: Restore the agency to its former effectiveness. In that pursuit, Casey has surrounded himself with top intelligence officers. For example, he appointed Adm. Bobby Ray Inman, the former chief of the National Security Agency, to be CIA deputy director.

Inman is held in high regard as having a razor-sharp mind, but his experience has primarily been limited to technological and analytical matters and has had little to do with the dark-side of covert operations.

Indeed, Casey himself, though a highly competent manager, has had only modest experience in intelligence activities, and that was during World War II. He came into his present post uninitiated in the ways of modern intelligence operations.

Thus, among the three top people running the agency, none have had deep experience in clandestine work — which is the paramount mission of the CIA.

How, then, did Hugel — a relatively low-level campaign official — get into his present position?

Hugel had first served as a Nashua coordinator for Reagan in the New Hampshire primary and later was put in charge of the campaign's nationalities and minorities division.

Those who worked with him said he "churned out a lot of paperwork" but was incapable of handling sensitive political problems.

"Personally, he was a very nice gentleman," said a campaign associate. "He was just in over his head when it came to politics."

But Hugel had two people in his corner who admired him greatly. First was, of course, Casey, who was a longtime friend and a neighbor of Hugel's on Long Island, where the two men maintained summer homes.

Second, there was William Loeb, the hard-driving conservative editor of the *Manchester Union Leader*. Loeb was Hugel's patron and pushed relentlessly for his appointment to a high post in the CIA.

Thus, when Casey reassigned Hugel's predecessor, CIA careerist John McMahon, to head the National Foreign Assessment Center, he turned to Hugel instead of pulling an experienced career officer out of the agency's ranks.

"He sent a devastating message to the agency's career employees," said one intelligence officer. "It has had a crushing effect upon morale here."

Over the last four years, more than 2,700 agents have left the CIA's clandestine service — partly due to former Director Stansfield Turner's reduction in force and partly because of Congress' heavy-handed punishment of the agency and the subsequent exposure of its agents.

That exodus is expected to continue as a result of Hugel's appointment, say knowledgeable intelligence sources.

As one former CIA operative put it: "What Casey is telling them (career officials) is that there is no one technically qualified in the ranks to head operations as there has been in the past."

Said a recent CIA retiree: "The guy who heads operations should be the master spy for the United States. In Hugel, we have a man who has absolutely no knowledge of the spy business."